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June 22, 2006

TO: PARTIES OF RECORD
RE: Case No. 2006-00118
South Anderson Water District

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to Linda Mattox at 502/564-3940, Extension 407.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

vh/
Enclosure

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File No. 2006-00118
South Anderson Water District

FROM: Linda Mattox, Staff Attorney *LM*

DATE: June 20, 2006

RE: Conference of June 20, 2006

At the request of South Anderson Water District ("South Anderson"), Commission Staff held an informal conference on June 20, 2006 at the Commission's offices to discuss issues related to South Anderson's motion to amend its tariff. Present were:

Ray Edelman	–	Counsel for South Anderson
Jerry Wuetcher	–	Commission Staff
Linda Mattox	–	Commission Staff
Jess Thompson	–	Commission Staff
Scott Lawless	–	Commission Staff
James Rice	–	Commission Staff
Sam Reid	-	Commission Staff
J. R. Goff	-	Commission Staff

Beginning the conference, Commission Staff stated that it would prepare minutes of the conference for the case record, that a copy of these minutes would be provided to all parties, and that all parties would be given an opportunity to submit written comments upon those minutes.

Mr. Edelman stated that South Anderson would like to amend its tariff language giving the district the ability to pay back real estate developers over a ten-year period instead of immediately upon request by the developer. He further noted that the district would withdraw its petition for a deviation to totally discontinue all paybacks to real estate developers if appropriate tariff language could be agreed upon spreading the payback over the entire ten-year period.

Unequal treatment of customers was discussed as was the possibility of requiring notice to be given concerning the change in policy by the district. Finally, the issue of the possibility of interest payments was discussed. Commission Staff agreed to submit draft tariff language to South Anderson by July 12, 2006.

The conference then adjourned.

cc: Parties of Record